BALANCED BUDGET RECONCILIATION/Social Security Earnings Limit

SUBJECT: Balanced Budget Reconciliation Act of 1995 . . . S. 1357. McCain amendment No. 2964.

ACTION: AMENDMENT AGREED TO, 99-0

SYNOPSIS: As reported, S. 1357, the Balanced Budget Reconciliation Act of 1995, will result in a balanced budget in seven years, as scored by the Congressional Budget Office (CBO). The bill will also provide a \$245 billion middle-class tax cut, \$141.4 billion of which will be to provide a \$500 per child tax credit.

The McCain amendment would express the sense of the Senate that it is the intent of Congress that legislation will be passed before the end of 1995 to raise the Social Security earnings limit for working seniors age 65 through age 69 in a manner that will ensure the financial integrity of the Social Security trust funds and that will be consistent with the goal of achieving a balanced budget in 7 years.

Those favoring the amendment contended:

The Social Security earnings test was created during the Depression era when senior citizens were being discouraged from working. This policy may have been appropriate when 50 percent of Americans were out of work, but it certainly is not appropriate today. For Social Security recipients age 65-69, the Social Security earnings test cuts benefits by \$1 for every \$3 they earn over \$11,160. This punitive tax rate mainly burdens senior citizens who need to supplement their Social Security earnings. Rich retirees, who receive generous sums from trust funds, pensions, stocks, and other forms of unearned income are not subjected to this test. They receive their full Social Security benefits. Every year since 1987 we have sought the repeal of this unjust denial of Social Security benefits to poor and middle-income retirees who are forced to work in their twilight years just to make ends meet. Every year we have failed to get Congress to pass this repeal. This year, with Republicans controlling both Houses of Congress, we are hopeful for a more favorable result. This amendment would express the sense of the Senate that we should finally end the Social Security earnings test this year. We urge our colleagues to approve this amendment.

(See other side)

YEAS (99)				NAYS (0)		NOT VOTING (0)	
Republican (53 or 100%)		Den	Democrats		Democrats (0 or 0%)	Republicans	Democrats (0)
		(46 or 100%)		(0 or 0%)		(0)	
Abraham Ashcroft Bennett Bond Brown Burns Campbell Chafee Coats Cochran Cohen Coverdell Craig D'Amato DeWine Dole Domenici Faircloth Frist Gorton Gramm Grams Grassley Gregg Hatch Hatfield	Helms Hutchison Inhofe Jeffords Kassebaum Kempthorne Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Pressler Roth Santorum Shelby Simpson Smith Snowe Specter Stevens Thomas Thompson Thurmond Warner	Akaka Baucus Biden Bingaman Boxer Bradley Breaux Bryan Bumpers Byrd Conrad Daschle Dodd Dorgan Exon Feingold Feinstein Ford Glenn Graham Harkin Heflin Hollings	Inouye Johnston Kennedy Kerrey Kerry Kohl Lautenberg Leahy Levin Lieberman Mikulski Moseley-Braun Moynihan Murray Nunn Pell Pryor Reid Robb Rockefeller Sarbanes Simon Wellstone			EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	nced Yea nced Nay Yea

VOTE NO. 507 OCTOBER 26, 1995

No arguments were expressed in opposition to the amendment.